



**SCOTTSDALE AIRPORT ADVISORY COMMISSION
PUBLIC MEETING
Scottsdale Airport Terminal Lobby
15000 N. Airport Drive, Scottsdale, AZ**

March 12, 2014

MINUTES

PRESENT: Steve Ziomek, Chairman
Ken Casey, Vice Chairman
William Bergdoll
Gunnar Buzzard
Michael Goode
Bob Hobbi (by telephone)
William Schuckert

STAFF: Sarah Ferrara, Aviation Planning & Outreach Coordinator
Shannon Johnson, Management Analyst
Gary Mascaro, Aviation Director
Chris Read, Airport Operations Manager

OTHERS: Officer Arviso
Officer Kennedy
John King, Sunset Aviation, LLC

CALL TO ORDER

Chairman Ziomek called the meeting to order at 6:00 p.m.

ROLL CALL

A formal roll call confirmed the presence of Commissioners as noted above.

PLEDGE OF ALLEGIANCE

Chairman Ziomek led the meeting in the pledge of allegiance.

AVIATION DIRECTOR'S REPORT

Mr. Gary Mascaro, Aviation Director, said he did not have an official report this month.

APPROVAL OF MINUTES

1. Approval of Minutes

Regular Meeting: February 12, 2014

Vice Chairman Casey made a motion to approve the minutes of the February 12, 2014 regular meeting as presented. Commissioner Buzzard seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

PUBLIC COMMENT

No members of the public wished to address the Commission

REGULAR AGENDA ITEMS 1 - 11

1. Discussion and Possible Action regarding Application for Airpark Aeronautical Business Permit for Jest Enterprises, Inc. to conduct Hangar/Shade Leasing Services

Management Analyst Ms. Shannon Johnson reported that Jest Enterprises is seeking approval of their aeronautical business permit to conduct hangar/shade leasing services. They have provided all of the necessary paperwork.

Vice Chairman Casey made a motion to approve the application by Jest Enterprises, Inc. for an Airpark aeronautical business permit to conduct hangar/shade leasing services. Commissioner Goode seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

2. Discussion and Possible Action regarding Application for Airport Aeronautical Business Permit for Sunset Aviation, LLC, dba Solairus Aviation to conduct Aircraft Management Services

Ms. Johnson reported that Sunset Aviation, LLC, doing business as Solairus Aviation is requesting ratification of their permit to conduct management services at the Airport. She noted that a representative of the company was in attendance and they have submitted all of the necessary paperwork. Mr. John King told the Commission that they have been doing business at the Airport since August 2013.

Vice Chairman Casey made a motion to approve the application by Sunset Aviation, LLC, dba Solairus Aviation for an Airport aeronautical business permit to conduct aircraft management services. Commissioner Goode seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

3. Discussion and Possible Action regarding Application for Airport Aeronautical Business Permit for Falcon Executive Aviation, Inc. to conduct Aircraft Management and Charter Services

Ms. Johnson stated that Falcon Executive Aviation, Inc. has been at the Airport since February and are requesting ratification of their permit to conduct management and aircraft charter services. They have provided staff with all of the necessary documentation. No one from the company was in attendance.

Commissioner Buzzard asked if Falcon can conduct sales and flight training with this permit. Ms. Johnson replied they would require an additional permit.

Vice Chairman Casey made a motion to approve the application by Falcon Executive Aviation, Inc. for an Airport aeronautical business permit to conduct aircraft management and charter services. Commissioner Goode seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

4. Discussion and Input regarding Monthly Operations Report for February 2014

Airport Operations Manager Mr. Chris Read presented the report, noting that the access control system project has been completed. He pointed out that the report of the U.S. Customs Service has been improved at the request of Commissioner Goode and now shows a comparison with the previous year. Operations are up compared to last year.

Chairman Ziomek noted that Officers Kennedy and Arviso were available to answer any questions.

Mr. Read stated that in February four PPR flights took place, which is a significant increase.

Commissioner Schuckert said he had spoken with a visiting Canadian businessman who was extremely positive about the Customs service.

Commissioner Goode told the meeting that Officer Kennedy has been a great representative of the Airport and he knows that Officer Arviso will do likewise. The seven-day service and extended hours of service are a tremendous asset to the Airport and a huge benefit for travelers.

Commissioner Buzzard asked Officer Kennedy about the NEXUS program. Officer Kennedy replied that the processing is done differently than at Sky Harbor. The Global Entry program for travelers from overseas will be coming later.

Vice Chairman Casey said how much he appreciates the outstanding efforts Officer Kennedy has made on behalf of Scottsdale Airport, acknowledging the personal sacrifices he has made. They are hearing good feedback about the Customs service at the Airport. This is the traveler's first impression of Scottsdale so it is extremely important.

Officer Kennedy said he has always looked at the Customs service as a business within a business. He is sure that regular travelers from Canada will make good use of the expanded service.

5. Discussion and Possible Action to Accept a Proposed Aviation Enterprise Fund Five-Year Financial Plan

Ms. Johnson presented an overview of the five-year financial plan. She stated that staff's forecasts are conservative. At this time the current rates and fees are sufficient to cover all forecasted requirements and staff does not anticipate raising any fees. She noted that revenue far outweighs expenditures. Her forecast of expenses for the U.S. Customs Service is higher than in the past because they have only just got to expanded service. Expenditures in the current fiscal year to date are about 20% below what was budgeted.

Ms. Johnson discussed the proposed new capital projects and outlined the reserve funds, their levels and purposes. Commissioner Bergdoll asked about the projected increase in the year-end fund balance. Mr. Mascaro explained that last year's forecast was fiscally conservative and actual experience was better than forecast. There was also an influx of fleet dollars. In the past the City held the fleet reserve fund in the City General Fund. Now this stays in the Aviation Enterprise Fund, which accounts for a good part of the increase. The overall revenue stream has increased. He reminded the Commission that the \$2 million proceeds from the sale of the park and ride lot are being placed in the Aviation Enterprise Fund in increments and they have received some of that money. Commissioner Bergdoll inquired if there is an optimum balance for the Aviation Enterprise Fund. Mr. Mascaro said there is no magic number. FAA policy is that the Airport should have sufficient funds to cover all expenses. He reminded the meeting that there is a possible land purchase and if that goes through much of the balance will be spent, although the Fund would be reimbursed over time after the purchase.

Commissioner Goode asked about the variance between the balance for the end of January and the projected fund balance at year-end. Ms. Johnson said some funds will be spent on capital projects. Commissioner Goode inquired about the possible land acquisition. Mr. Mascaro said this is still being evaluated so there is nothing to share at this point.

Commissioner Schuckert asked about the merit program. Mr. Mascaro said this program has been put in place by the City Manager to provide for employee bonuses and raises. Commissioner Buzzard opined that this should be paid from the City budget, not the Aviation Enterprise Fund. Mr. Mascaro explained that the City Manager has recommended to City Council that all budgets should have funding set aside for merit increases. The City Manager has provided parameters for deciding on pay incentives based on performance measures. Mr. Mascaro described that last year he awarded the money based on how employees had met their performance goals. For stellar employees who had been working at the Airport for less than a full year, he provided bonuses.

Referring to the list of construction projects, Commissioner Goode inquired about the runway overlay project. Mr. Mascaro pointed out the item, saying that the priority is Bravo, Alpha, then the runway overlay. Alpha has to be widened, which is why that project is so much more expensive.

Vice Chairman Casey asked about the target timing for the runway overlay. Mr. Mascaro said it is based on FAA funding and will take at least three years. He elaborated how the funding process works.

Chairman Ziomek suggested that perhaps the five-year plan should be adjusted to reflect this timing. Mr. Mascaro explained that he must have budget authority to accept FAA funding.

Otherwise he would have to go before City Council for approval. That delay could mean losing the grant, which has happened to other airports.

Commissioner Goode inquired about the Airport Terminal remodel. Mr. Mascaro said once Airport Operations staff has relocated to the new Operations Maintenance Center, the office they vacate will be remodeled into a large conference room and meeting area.

Commissioner Goode made a motion to approve the proposed Aviation Enterprise Fund five-year financial plan. Commissioner Bergdoll seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

6. Discussion and Input Regarding Wayfinding Signage at Butherus and Airport Drive

Commissioner Buzzard said he requested this item for Commission awareness. He has been speaking with business owners, particularly in the Landmark north area. They have told him that customers have difficulty finding their locations.

At Commissioner Buzzard's request, Mr. Mascaro outlined the policy regarding the Airport sign code. City buildings can display the building name only. Sub-tenants of leaseholders are not allowed to place signage on Airport buildings unless they control the entire building. Per City code, signs in rights-of-way cannot have business names on them. For private buildings, Mr. Mascaro said business names cannot be posted on the building itself unless it is over 30,000 square feet. Buildings over this size may display the names of three tenants. However, he noted that the FBOs have airside signage with all tenant businesses identified.

Commissioner Buzzard said some of the business owners would like to be able to place signs identifying them. He wants to maintain the esthetics of the current signage and avoid the billboard effect. Displaying slides of signage examples, Commissioner Buzzard noted that Zulu Caffé is an exception in that as an important business for the whole Airport, they are allowed a sign. The sign for the parking lot is in an awkward location but it seems to be the only place it would work. He suggested that this sign could perhaps be altered to include a sign to Landmark north.

The Commissioners discussed sign placement. Mr. Mascaro explained the rationale behind the current sign placement which was approved by the City.

Commissioner Buzzard said tenants may have issues about signage. However when they sign their lease they are aware of what the regulations are. He wanted the Commission to be aware in case this is brought up in the future.

Commissioner Bergdoll inquired whether the Airport sign code is kept aligned with any changes made to the City code. Mr. Mascaro confirmed that the Airport sign code is in fact part of the City sign ordinance. The Aviation Director has carte blanche airside, which helps the aviation related businesses. The landside rules are much more rigid.

Commissioner Goode said clients have difficulty finding the Scottsdale Air Center from Hayden Road. Mr. Mascaro said they cannot place a sign for the Air Center because it would have to go in the right-of-way, where businesses are not allowed to advertize. He recalled past efforts at wayfinding signage. However the Airport Character Area Plan is being worked on and people

are starting to think outside the box in this regard. The FBOs are willing to pay for signage if it is allowed.

In reply to a question from Vice Chairman Casey, Mr. Mascaro said Zulu Caffé does not have a sign on Scottsdale Road. This has been discussed but with the median there is no space for signage, and the buildings would hide a sign anyway.

Vice Chairman Casey told Commissioner Buzzard it was good to have had this discussion.

7. Discussion and Input Regarding Monthly Financial Reports for January 2014

Ms. Johnson presented the monthly financial report for January 2014. Year to date revenue was about 9 percent above the projection. Expenses year to date were about 23 percent below budget. Revenue is up about 8 percent compared to January 2013. Fuel sales year to date are up nearly ten percent compared to the last fiscal year.

8. Discussion and Input Regarding Public Outreach Programs and Planning Projects

Aviation Planning and Outreach Coordinator Ms. Sarah Ferrara said staff has booked a booth for the next NBAA convention to be held in Orlando.

Preparations for Run the Runway on April 5 are under way. She assured the Commission that the runway will reopen as soon as possible after the race, recalling that last year they reopened at 10:00 a.m.

Staff has done a mass mailing of cards announcing the expanded hours to past users of the Customs Service. They will send out reminders over the next few months to keep this top of mind. Mr. Read added that he has submitted the change to the AFD and it should appear in the next edition in April.

The master plan and the environmental assessment are in progress. The preliminary final EA document has been submitted to the FAA so staff is awaiting a response.

Chairman Ziomek asked her about the public comments that were submitted to the FAA. Ms. Ferrara said the majority of comments were in support of the proposed plan.

Mr. Mascaro told Commissioner Goode that the FAA is very busy, so it is difficult to say how long it will be before a response is received. No grant can be funded until the environmental assessment is approved. Mr. Mascaro has spoken with the Airports Division Office manager in Phoenix, advising that it is imperative to receive a timely response.

Ms. Ferrara said in February 12 voluntary curfew reminder letters were sent.

9. Discussion and Input Regarding Airport and Airpark Business Permit Additions, Cancellations or Revocations

Ms. Johnson reported that the only changes are for the three businesses that the Commission approved tonight.

10. Discussion and Input Regarding Status of Aviation Items to City Council

Mr. Mascaro reported the Landmark lease amendment will go before City Council on March 18 on the consent agenda.

Chairman Ziomek told the meeting that at the April 8 Council meeting he will make a presentation about the expanded U.S. Customs Service. In an informal meeting with Mayor Lane, the Mayor was impressed with the expanded service. He will emphasize that the Commission worked on this initiative while Commissioner Goode was the Chairman of the Airport Advisory Commission.

11. Discussion and Possible Action to Modify the Airport Advisory Commission Meeting Schedule and Commission Item Calendar

No changes suggested.

FUTURE AGENDA ITEMS

Vice Chairman Casey suggested a discussion of noise traffic complaints regarding military aircraft. He stated that he loves military aircraft and it is important to protect the Airport over the long term. He commended Mr. Read for looking at procedures, given the bad feedback received during February. Commissioner Buzzard commented that the quarterly noise report will be on the agenda for the April meeting.

Mr. Mascaro elaborated that Mr. Read is working on procedures for military flights in order to be proactive and staff will share more information at the next meeting.

Commissioner Schuckert asked if the report will provide a breakdown of which complaints regarded military versus civilian aircraft. Mr. Mascaro said that will be detailed.

Commissioner Goode asked if Chairman Ziomek will be able to give a report on his presentation to City Council which is scheduled for the day before the April 9 Commission meeting. Mr. Mascaro said that Chairman Ziomek could speak about this in place of the Aviation Director's report, although it would not be agendaized for discussion and input.

ADJOURNMENT

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 7:13 p.m.

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